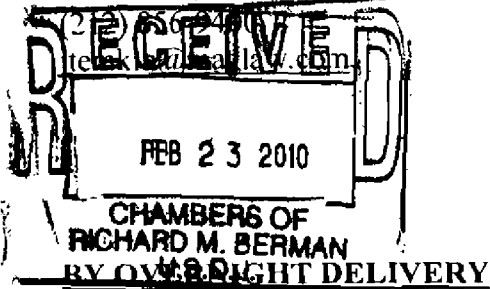


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February 22, 2010

Honorable Richard M. Berman
United States District Court
Southern District of New York
500 Pearl Street, Room 650
New York, New York 10007

MEMO ENDORSED
P.3

Re: *Levitt v. PricewaterhouseCoopers LLP*, No. 04-CV-5179 (RMB) ("Levitt v. PwC")

Levitt v. Lipper Holdings, LLC, et al., No. 03 CV. 0266 (RMB) ("Levitt v. Lipper")

Dear Judge Berman:

We respectively represent Plaintiff Fredda Levitt, Defendant/Third-Party Plaintiff PricewaterhouseCoopers LLP ("PwC,"), and Defendant/Third Party Defendants Kenneth Lipper and Abraham Biderman in the above-referenced actions.¹ We write, pursuant to the Court's Administrative Order filed on February 17, 2010, to update the Court with respect to the above-captioned actions.

¹ PwC is only a party to the Levitt v. PwC action, while Mr. Lipper and Mr. Biderman are third-party defendants in that case and defendants in the Levitt v. Lipper action.

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February 22, 2010
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1. Levitt v. PwC

In letters dated September 9 and December 22, 2009, counsel for Plaintiff and PwC previously advised the Court that their clients have reached a settlement as part of a joint settlement (the "Settlement") involving two other actions pending before Justice Shirley Kornreich in the Commercial Division of the Supreme Court of the State of New York, New York County (the "Commercial Division"). The two actions being settled in the Commercial Division are: (1) a certified class action on behalf of limited partners of Lipper Convertibles, which includes Ms. Levitt as a class member; and (2) an action by the Successor Liquidating Trustee of Lipper Convertibles (the "Trustee"), which will benefit the limited partners of Lipper Convertibles, including Ms. Levitt.

On December 17, 2009, Justice Kornreich held a final approval hearing, at which time she approved the amount of the settlement as fair, reasonable and adequate. Justice Kornreich held an additional hearing on January 5, 2010, at which time she approved the settlement and the plan of allocation for the settlement proceeds. At a status conference on February 2, 2010,² Justice Kornreich overruled objections as to the timing of the distribution of the settlement proceeds, and extended the time for certain limited partners to submit proofs of claim. Also on February 2, Justice Kornreich instructed the settling parties to submit a proposed final approval order, which the parties did on February 5, 2010. To date, Justice Kornreich has not entered any order on final approval. Pursuant to the Settlement's terms, within five days after Justice Kornreich enters the Final Approval Order, Ms. Levitt and PwC will jointly request that this Court dismiss Plaintiff's claims in this action with prejudice.

With respect to the PwC's third-party claims against, *inter alia*, Mr. Lipper, Lipper L.P., and Lipper Holdings, LLC ("Holdings"), on April 18, 2008, the Court so-ordered a stipulation reserving the rights of Mr. Lipper, Lipper L.P., and Holdings to answer, move, or otherwise respond to PwC's third-party claims until 30 days after the United States Court of Appeals for the Second Circuit decides Ms. Levitt's appeal of Judge Owen's denial of class certification. That stipulation also reserved the rights of Mr. Lipper, Lipper L.P., and Holdings to take additional discovery relevant to their defense of PwC's third-party claims in the event those claims are not dismissed.

2. Levitt v. Lipper

Ms. Levitt brought the Levitt v. Lipper action against Mr. Lipper, Mr. Biderman and other defendants. In July 2003, Judge Owen compelled those putative class claims to arbitration at the American Arbitration Association ("AAA"). In March 2008, the AAA panel denied Ms.

² As the February 2, 2010 hearing was scheduled as a status conference in the State Actions, Plaintiff Levitt's Counsel was not notified of and did not attend that hearing and relies on the representations of other counsel concerning what happened at that hearing.

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Page 3

Levitt's motion for class certification, and in May 2008, Mr. Lipper, Mr. Biderman, and other defendants moved this Court to confirm that decision and Ms. Levitt moved to vacate that decision. This Court stayed briefing on whether to vacate or confirm the arbitrators' decision until after the Second Circuit decides plaintiffs' appeal of Judge Owen's denial of class certification in Levitt v. PwC, or until that appeal is withdrawn.³ Pursuant to a joint request by the parties to the arbitration, the arbitration has been stayed since the panel denied class certification. That stay is currently scheduled to expire on March 31, 2010.

3. Other Related Actions

The related actions Lewin v. Lipper Convertibles, L.P., 03-CV-2632, and CILP Associates L.P. v. Lipper Convertibles, L.P., 03-CV-1144, remain pending.⁴ Further detail concerning the status of those actions will similarly be addressed in a letter submitted to this Court by the parties in that action.

The parties (to all five related actions) are requested to appear at a status conference on April 5, 2010 at 11:00 a.m.

SO ORDERED:
Date: 2/23/10 Richard M. Berman
Richard M. Berman, U.S.D.J.

³ Since reaching an agreement in principle on the Settlement, counsel for Ms. Levitt and PwC have asked the Second Circuit to hold its consideration of the appeal in abeyance.

⁴ Plaintiff Levitt is not a party to those actions and is unaware of their status.

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As always, the parties are available to appear before the Court to answer any questions regarding the Settlement at the Court's convenience.

Respectfully Submitted,

COHEN MILSTEIN SELLERS &
TOLL PLLC

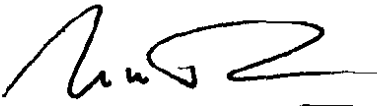
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Stephen Orel, Esq.
David Levy, Esq.

Hon. Richard M. Berman
February 22, 2010
Page 4

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Respectfully Submitted,

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